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SENATE BILL 2813 By
Crutchfield

HOUSE BILL 2698
By Brown

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 4,
relative to privatization contractors.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 4, is amended by adding
Sections 2 through 6 of this act as a new, appropriately designated part.

SECTION 2. The title of this act is, and may be cited as, the "Privatization Contractor
Public Accountability Act."

SECTION 3. As used in this part, unless the context otherwise requires:

(1) "Privatization contractor" means any person, corporation, partnership, firm or
other business entity which contracts with one or more agencies of state government to
receive taxpayer funding in consideration for the performance of specified functions or
the provision of specified services of a nature which historically have been or typically
would be performed or provided in Tennessee by public employees. "Privatization
contractor" does not include any community grant agency as such term is defined in
Tennessee Code Annotated, Section 8-4-401(1).

(2) "Agency of state government" means any department, agency, board,
commission, authority, unit or other entity of state government. "Agency of state
government" does not include any municipality or county or any entity thereof.

SECTION 4. In accordance with the Uniform Administrative Procedures Act, Tennessee
Code Annotated, Title 4, Chapter 5, the comptroller of the treasury and the commissioner of

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finance and administration shall jointly promulgate rules to promote and encourage a high degree of public scrutiny and accountability for privatization contractors. Such rules shall include, but not necessarily be limited to, policies which require each privatization contractor to periodically undertake reasonable, adequate and appropriate actions to notify and inform the public-at-large, as well as the population specifically served or benefited by the privatization contract, that:

(1) the contractor is a person, corporation, partnership, firm, or business entity, receiving taxpayer funding;

(2) the contractor is contractually responsible for performing specified functions or providing specified services which historically have been or typically would be performed or provided by public employees; and

(3) a citizen observing any illegal, improper, incompetent, negligent, or wasteful conduct or omission by the contractor or its employees is encouraged to promptly report such conduct or omission to the state comptroller's toll-free hotline: 1-800-232-5454.

Such rules shall also include policies and procedures to ensure that such reports are received, reviewed and appropriately investigated and resolved in a manner consistent with the prudent, efficient and effective management and utilization of taxpayer resources.

SECTION 5.

(a) The detailed information received pursuant to this part shall be considered working papers of the comptroller of the treasury and the commissioner of finance and administration and shall therefore be deemed confidential.

(b) Each year the office of the comptroller of the treasury shall include within the annual report required by Section 8-4-110, a summary of each meritorious call investigated and resolved or attempted to be resolved pursuant to this part. Copies of such report shall be sent to each affected contracting agency of state government.

SECTION 6.

(a) A privatization contractor in violation of the rules promulgated in accordance with this part shall be subject to a civil penalty of fifty dollars (\$50.00) per day for each day in violation, to be paid entirely from nongovernmental financial resources.

(b) Any person who knowingly reports false or frivolous information to the state comptroller's toll-free hotline, concerning a privatization contractor or its employee, commits a Class C misdemeanor.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.